FISCAL NOTE

Bill #:	HB 11	**Title:**	Revise Distribution of federal mineral leasing funds
Primary Sponsor:	Dick Haines	**Status:**	As Introduced

Sponsor signature Date

Chuck Swysgood, Budget Director Date

Fiscal Summary

	FY 2003 Difference	FY 2004 Difference	FY 2005 Difference
Expenditures:			
State Special Revenue	($1,264,000)	($1,589,000)	($3,344,000)
Revenue:			
General Fund	$1,264,000	$1,589,000	$3,344,000
State Special Revenue	($1,264,000)	($1,589,000)	($3,344,000)
Net Impact on General Fund Balance:	$1,264,000	$1,589,000	$3,344,000

Yes	No		Yes	No	
X		Significant Local Gov. Impact		X	Technical Concerns
X		Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

1. This bill changes the allocation of royalties that the state receives from production of minerals on federal land in fiscal years 2003 through 2005.
2. Projected revenue from federal mineral royalties is $21.738 million in fiscal 2003, $21.289 million in fiscal 2004 and $22.292 million in fiscal 2003.
3. Under current law, in fiscal 2003 the first $20.474 million of receipts go to the general fund and any receipts over this amount go to the mineral impact account for distribution to counties where mineral production on federal lands occurs. Under this bill, the first $24.164 million of receipts in fiscal 2003 go to the general fund and receipts over this amount go to the mineral impact account.

4. Under current law, in fiscal 2004 87.5% of receipts go to the general fund and 12.5% go to the mineral impact account. Under HB 11, 95% of receipts in fiscal 2004 go to the general fund and 5% go to the mineral impact account.
5. Under current law, in fiscal 2005 75% of receipts go to the general fund and 25% go to the mineral impact account. Under HB 11, 90% of receipts in fiscal 2005 go to the general fund and 10% go to the mineral impact account.
6. The table shows projected revenue and its allocation under current law and under this bill.

US Mineral Royalties Revenue and Allocation
($ million)

		Current Law		Proposed Law		Difference	
Fiscal Year	Projected Revenue	General Fund	Mineral Impact Account	General Fund	Mineral Impact Account	General Fund	Mineral Impact Account
2003	$21.738	$20.474	$1.264	$21.738	$0.000	$1.264	-$1.264
2004	$21.189	$18.540	$2.649	$20.130	$1.059	$1.589	-$1.589
2005	$22.292	$16.719	$5.573	$20.063	$2.229	$3.344	-$3.344

FISCAL IMPACT:

	FY 2003 Difference	FY 2004 Difference	FY 2005 Difference
Expenditures:			
Mineral Impact Account	($1,264,000)	($1,589,000)	($3,344,000)
Revenues:			
General Fund (01)	$1,264,000	$1,589,000	$3,344,000
State Special Revenue (02)			
Mineral Impact Account	($1,264,000)	($1,589,000)	($3,344,000)
Net Impact to Fund Balance (Revenue minus Expenditure):			
General Fund (01)	$1,264,000	$1,589,000	$3,344,000
State Special Revenue (02)	$0	$0	$0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:
This bill would decrease funds distributed to counties with mineral production on federal lands by $1.264 million in fiscal 2003, by $1.589 million in fiscal 2004 and by $3.344 million in fiscal 2005.

LONG-TERM IMPACTS:
In FY 2006 and beyond counties will receive 25% of the federal mineral royalty revenues, which is the same as current law.